

OCEANIC IRON ORE OF CANADA LIMITEDNOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO THE SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that the annual meeting of the shareholders of OCEANIC IRON ORE OF CANADA LIMITED (hereinafter called "the Company") will be held in the Board Room, 11th Floor, 335 Bay Street, Toronto, Ontario, on Thursday, April 12th, 1962, at the hour of 2:45 p.m. (Toronto time) for the following purposes:

1. To receive, consider and, if thought fit, approve the annual report of the Company for the year ended December 31, 1961, including the financial statements of the Company as at December 31, 1961, and the auditors' report thereon;
2. To elect directors;
3. To appoint auditors and authorize the directors to fix their remuneration;
4. To consider and, if thought fit, approve the acts and proceedings of the directors and officers of the Company from December 31, 1960 to December 31, 1961, all as set forth or described in the books and records of the Company;
5. To transact all other business as may properly come before an annual meeting.

Each shareholder who will not be able to attend the meeting is requested to sign the enclosed proxy and return it to the undersigned in the enclosed addressed envelope.

A copy of the annual report of the Company for the year ended December 31, 1961, is enclosed herewith.

DATED at Toronto, Canada, this 22nd day of March, 1962.

By order of the Board,

G. BAKER

Secretary.

OCEANIC IRON ORE OF CANADA LIMITED

DIRECTORS REPORT TO THE SHAREHOLDERS

On behalf of the Board of Directors, I present herewith the Annual Report of your Company for the year ended December 31st, 1961, including the consolidated financial statement as reported on by the Company's auditors.

No further exploration or development work was undertaken on the property during the past year. World-wide supply and demand for iron ore was kept under constant review but market trends do not indicate that it will be possible to bring the Company's property to economic and profitable production within the near future.

The information which was given in the last report to shareholders remains virtually unchanged, particularly the details given of indicated ore reserves. Annual rentals amounting to \$1,990 were paid on the properties and the claims are in good standing.

By Order-in-Council No. 1003 dated April 14, 1961, the Lieutenant-Governor in Council of the Province of Quebec authorized the extension until July 1, 1969 of Mineral Exploration Licence No. 31392 granted to Oceanic Iron Ore (Quebec) Limited, the Company's wholly-owned subsidiary. This Order-in-Council will allow the Company to continue exploration and development work as and when circumstances and changing market conditions may indicate.

On behalf of the Board of Directors

W. H. BOUCK,

President

Toronto, Ontario,
March 20, 1962.

OCEANIC IRON ORE OF CANADA LIMITED
(Incorporated under the laws of Ontario)

AND ITS WHOLLY OWNED SUBSIDIARY

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 1961

A S S E T S

Cash	\$ 15
Mining claims held under exploration licence (Note 1)	100,000
Buildings and equipment (Note 1)	72,333
Exploration, development and administration expense (Note 1)	1,572,782
Materials and supplies - at cost	46,856
Organization expense	<u>5,148</u>
	<u>\$ 1,797,134</u>

L I A B I L I T I E S

CURRENT LIABILITIES

Accrued liabilities	\$ 150
Due to an associated company	45,038
Demand loans payable to an associated company (Note 2)	660,000
Accrued interest on loans (Note 2)	<u>174,232</u>

SHAREHOLDERS' EQUITY (Note 2)

Capital stock -	
Authorized -	
10,000,000 shares of a par value of 35¢ each	<u>\$ 3,500,000</u>
Issued	
2,605,540 shares	911,939
Contributed surplus arising from premium received on shares issued	<u>5,775</u>
	<u>917,714</u>
	<u>\$ 1,797,134</u>

The accompanying notes form an integral part of these statements.

APPROVED ON BEHALF OF THE BOARD

W. H. BOUCK

Director

J. A. SADLER

Director

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of Oceanic Iron Ore of Canada Limited and its wholly owned subsidiary as at December 31, 1961 and the consolidated statement of exploration, development and administration expense for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet, when read in conjunction with the notes appended thereto, and the consolidated statement of exploration, development and administration expense present fairly the consolidated financial position of the companies as at December 31, 1961 and the consolidated results of their operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

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OCEANIC IRON ORE OF CANADA LIMITED
(Incorporated under the laws of Ontario)

AND ITS WHOLLY OWNED SUBSIDIARY

MAR 29 1962

CONSOLIDATED STATEMENT OF EXPLORATION, DEVELOPMENT AND ADMINISTRATION EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 1961

BALANCE - DECEMBER 31, 1960 \$ 1,529,447

Exploration licence 2,318

Head office and administration -

Interest	\$ 40,410
Registrar and stock certificate expense	120
Taxes, licences and insurance	208
Printing, stationery and advertising	54
Audit fee	225
	<u>41,017</u>

BALANCE - DECEMBER 31, 1961 \$ 1,572,782

NOTES TO FINANCIAL STATEMENTS

1. The amounts shown for mining claims, buildings and equipment, and exploration, development and administration expense represent costs to date and are not intended to reflect present or future values.
2. The associated company which has advanced \$660,000 to December 31, 1961 has the right to convert any unpaid portion of the loans and the accrued interest thereon into shares of capital stock as follows:
 - (a) On the first \$600,000 and the accrued interest thereon at the rate of one share for each \$2 of the unpaid indebtedness.
 - (b) On the remaining \$60,000 and the accrued interest thereon at the rate of one share for each 75¢ of the unpaid indebtedness.